

**[ OWWA MEMORANDUM OF INSTRUCTIONS NO. 01, S. OF 2009, January 12, 2009 ]**

**GUIDELINES AND PROCEDURES FOR THE IMPLEMENTATION OF THE FILIPINO EXPATRIATE LIVELIHOOD SUPPORT FUND (FELSF) FOR DISPLACED OVERSEAS WORKERS DUE TO GLOBAL ECONOMIC CRISIS**

In the interest of the service and in connection with Overseas Workers Welfare Administration (OWWA) Board Resolution No. 038 Series of 2008, allocating an additional amount of ONE HUNDRED MILLION PESOS (Php100,000,000.00) for the Filipino Expatriate Livelihood Support Fund (FELSF) as an economic safety net for Overseas Filipino Workers (OFWs) who may be displaced at the country-worksites abroad, the following implementing rules and regulations are hereby issued:

**I. NATURE**

The FELSF shall be implemented under the Livelihood Development Program as an integral component of the OFW reintegration program which shall serve as an economic safety net that may be availed of by OFWs and family members who were displaced in country-worksites abroad due to the current global economic crisis.

**II. OBJECTIVES**

The FELSF shall provide credit assistance and facilities for entrepreneurial activities to OFWs who are displaced at country-worksites abroad due to the current global financial crisis in order to improve their economic productivity and general welfare, strengthen their entrepreneurial capabilities and provide self-employment opportunities to them and families.

**III. FEATURES OF THE PROGRAM**

A. The program shall be a supervised and direct lending facility solely for OFWs and their family members who are adversely affected by the global financial crisis;

B. It shall espouse synergy and complementation of the services offered by government agencies, non-government organizations, church-based institutions, peoples' organizations and the private sector;

C. It has a long-term goal of transforming the OFWs into entrepreneurs and ensuring their sustainable livelihood opportunities;

D. It shall support the displaced worker's livelihood projects as an additional capital to expand an existing business;

E. It shall offer a Non-collateral Loan Window with an interest of five percent (5%) per annum, payable in 24 months and a 90-day grace period. The loanable amount is a maximum of FIFTY THOUSAND PESOS ONLY (Php50,000.00) per qualified individual borrower; and

F. The loan can be availed of after going through the Phase I of the Department of Labor and Employment (DOLE) Livelihood Package of Assistance and Services for Displaced Workers through the National Reintegration Center for OFWs (NRCO). Phase I consists of Business Counselling and Skills Training.

#### **IV. PROGRAM FUND MANAGEMENT**

The amount of ONE HUNDRED MILLION PESOS (Php100,000,000.00) shall be established as a revolving fund for the Program. Loan funds shall be established at the Regional Welfare Offices.

#### **V. LOAN REQUIREMENTS**

- A. Proof of OWWA membership
- B. Proof of displacement due to the global financial crisis
- C. Business Proposal
- D. Financial Statements where the OFWs and/or families have existing business(es)
- E. Promissory Note
- F. Marital Consent, for married borrowers

#### **VI. PROGRAM IMPLEMENTATION**

The following procedures shall be implemented:

##### **A. Loan Application and Approval**

1. The Family Welfare Officer (FWO) at the Regional Welfare Office shall interview a prospective applicant to ascertain whether he/she is qualified under the program.
2. An officer of the RWO shall conduct site inspection to validate the data and information on the existing or proposed business.
3. Only loan application with complete documentary requirements shall be included in the validation.

An evaluation report shall be submitted to the RWO Director containing findings and recommendations. The report will then be submitted to the concerned Regional Cluster Manager for approval.

##### **B. Mode of Fund Releases**

1. The ROCS shall initiate disbursement voucher preparation for all approved loans and shall be forwarded to the concerned RWO.
2. The loan shall be released to the proponent only after compliance of pre-release conditions and proper identification of the borrower.